

Everett School Employee Benefit Trust

Minutes of
November 17, 2003
Room C3
3:30 p.m.

Attendance

Trustees

Jeff Riddle
Betsy Selders
John Morrill
Molly Ringo
Kay Nickel
Sue McCann

Also Attending

Dottie Cainion
Darla Van Duren

Guests

Jill Mehner

Recorder

Susan Sacha

- I. Call to Order
Jeff called the meeting to order at 3:35 p.m.
- II. Adoption of Agenda
The agenda was adopted with the addition of several items including run-out, stop-loss, open enrollment and liability insurance.
- III. Minutes
Minutes from October 27th meeting were reviewed and approved as presented.
- IV. Independent Auditor's Report & Financial Statement
Darla reviewed the financial statement with trustees and said that any changes they wanted could be made. Jeff would like a monthly report to show projections for the future. It was noted that cash basis was easier to understand and shows where the dollars are. Trustees discussed several changes they felt were needed, including more detail on the "statement of changes in benefit obligations" listing the expenses separately instead of a summary dollar amount. Jeff asked that any additional changes be sent to Darla by the week after Thanksgiving. He would like all the changes incorporated into the document in time for the December meeting for final approval. Molly noted that the report did not indicate that it was prepared by Moss Adams. Since we are changing to a January 1 – December 31 fiscal year, it was recommended that a six month audit will be done in January.

Darla reported that she has been meeting with the state risk management auditor. She said he was surprised at the number of changes that had been made but felt they were all positive changes. He did recommend moving to a year-end financial statement to match the plan year. An exit interview is scheduled for December 3rd. The auditor complimented the trust. He would appreciate knowing any comments the trustees have regarding the audited draft of the financial statement.

V. Benefit Trust Claims & Appeals Procedures Policy

The trustees reviewed the revised procedure provided by Melanie. Several questions and recommendations were made by trustees. Jill Mehner will work with Melanie and prepare another draft that will include these changes for the December meeting.

VI. Flexible Spending

Darla explained that currently money is collected from the employees and put into Smith Barney at the end of the month. FSA pays dollars out and sends a weekly invoice which is paid via the trust. There was discussion about the possibility of going through payroll however Darla said that would be a problem because the invoices come weekly. Another concern from the trustee's is the amount of risk involved for the trust if an employee were to leave after they have submitted and received a claim, but before they made all of their contributions. It was decided that further discussion about what the issues are and a reasonable approach was needed. Jill will talk with Melanie about this issue and bring an outline to the next meeting.

VII. Other

Jill distributed copies of the paid claims report which proved information on self-insured medical claim activity from October 2002 through October 2003. It was suggested that this report be extended to 15 months. There was a small deficit \$42,372. It was noted that of the last seven months five have had losses. Jeff asked how this compared with the last two or three years. 2004 should have more dollars in plan funding.

Jill reported that Zenith would pay run-out costs of approximately \$45,000 for three months after the contract ends. (Run-out costs are costs paid for after the contract year ends.) After that a fee of \$10 per claim would be charged.

Jill reported that the Safeco bid is being revised because of network changes from Zenith to HCA (\$8,000 less).

Molly reported that open enrollment is now closed. She said that short-term disability has 1440 participants and that the target was 190. She also said there was a shift from PPO1 to PPO2. Molly expects to have more information available in December. She and Dottie would appreciate any feedback trustees may hear.

Liability Insurance

Darla reported that Marsh USA is shopping the price for this insurance and that the trust is required to fill out a new application this year. Marsh USA feels that Chubb's is competitive in their rates, but would like to shop for a price to confirm where the market is. Darla can put in a request to have some figures for the next meeting.

VIII. Next meeting

The next meeting is scheduled for Monday, December 15, 2003 in C3 of the Administrative Center.

IX. Adjournment

The meeting was adjourned at 5:07 p.m.

Sincerely,

Kay Nickel, Secretary

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